

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	§	Chapter 11
	§	
W.R. GRACE & CO., et al.,	§	Jointly Administered
	§	Case No. 01-01139 (KJC)
Debtors.	§	
	§	

**FEE AUDITOR'S FINAL REPORT REGARDING FOURTH¹ QUARTERLY AND
FINAL FEE APPLICATION OF LINCOLN PARTNERS ADVISORS LLC FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED FOR THE FOURTH QUARTERLY PERIOD FROM
JANUARY 1, 2014 THROUGH FEBRUARY 3, 2014 AND THE FINAL FEE
PERIOD FROM SEPTEMBER 1, 2009 THROUGH FEBRUARY 3, 2014**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Fourth Quarterly and Final Fee Application of Lincoln Partners Advisors LLC for Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Fourth Quarterly Period from January 1, 2014 through February 3, 2014 and the Final Fee Period from September 1, 2009 through February 3, 2014 (the “Application”).

BACKGROUND

1. Lincoln Partners Advisors LLC (“Lincoln”) was retained as financial advisor to David T. Austern, the former Asbestos Personal Injury Future Claimants’ Representative, and subsequently to Roger Frankel, Successor Asbestos Personal Injury Future Claimants’ Representative. In the

¹Although this is the nineteenth quarterly fee application which Lincoln has filed in the case, it is only the fourth quarterly fee application which Lincoln has filed in its capacity as financial advisor to Roger Frankel, Future Claimants’ Representative. The previous quarterly fee applications were filed by Lincoln as financial advisor to the late David Austern when he served as Future Claimants’ Representative.

Application, Lincoln seeks approval of fees and expenses as follows: fees totaling \$75,000.00 and expenses totaling \$3,603.24 for its services from January 1, 2014 through February 3, 2014 (the “Fifty-Second Interim Period”), and final approval of fees totaling \$2,920,000.00² and expenses totaling \$34,998.27³ for its services from September 1, 2009 through February 3, 2014 (the “Final Application Period”).

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2014, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330, Issued January 30, 1996 (the "U.S. Trustee Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals.

²We note that the total of the fees requested in Lincoln’s 19 prior fee applications, plus the compensation sought for the Fifty-Second Interim Period, is \$2,920,000.00. The Court ordered no reductions for the prior interim periods, which periods are discussed in more detail in paragraph 8, and thus Lincoln has deducted no sums from this amount to arrive at the figure it seeks of \$2,920,000.00. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

³We note that the total of the expenses requested in Lincoln’s 19 prior fee applications, plus the expenses sought for the Fifty-Second Interim Period, is \$35,279.31. It appears that Lincoln has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 8, to arrive at the figure it seeks of \$34,998.27. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

DISCUSSION

Fifty-Second Interim Period

3. For the Application Period, Lincoln lists 147.90 hours worked, which computes to an effective hourly rate of \$507.10.

4. We have no issues with, or objections to, Lincoln's fees and expenses for the Fifty-Second Interim Period, and thus we did not send an initial report to Lincoln.

5. Thus, we recommend approval of \$75,000.00 in fees and \$3,603.24 in expenses for Lincoln's services for the Fifty-Second Interim Period.

Final Application Period

6. We note that according to the terms of Lincoln's retention, Lincoln was authorized to receive a maximum of \$50,000.00 in fees per month for the months of September and October 2009 and a maximum of \$75,000.00 in fees per month for each month thereafter. In no month did Lincoln's fees exceed \$75,000.00. Thus, we have no objection to Lincoln's fees on that basis.

7. We note that Lincoln recorded a total of 4,321.10 hours worked on the case during the Final Application Period, which computes to an effective hourly rate of \$675.75.⁴

Prior Interim Applications

8. We note that we previously filed the following final reports for Lincoln's prior interim applications, which final reports we incorporate by reference herein, and we also note the following orders that ruled on Lincoln's prior interim fee applications:

34th Period: [Fee Auditor's Combined Final Report Regarding Those Fee Applications](#)

⁴In the Application, Lincoln lists its total hours as 4,361, which would make its effective hourly rate \$669.57.

with De Minimis or No Fee or Expense Issues for the Thirty-Fifth Interim Period (Docket #24856), filed on or about May 28, 2010, in which we recommended approval of fees totaling \$50,000.00 and expenses totaling \$251.49. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Fifth Period, dated June 7, 2010 (Docket #24917).

35th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with De Minimis or No Fee or Expense Issues for the Thirty-Sixth Interim Period (Docket #25384), filed on or about September 10, 2010, in which we recommended approval of fees totaling \$200,000.00 and expenses totaling \$2,769.33. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Sixth Period, dated September 13, 2010 (Docket #25397).

36th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with De Minimis or No Fee or Expense Issues for the Thirty-Sixth Interim Period (Docket #25384), filed on or about September 10, 2010, in which we recommended approval of fees totaling \$225,000.00 and expenses totaling \$571.89. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Sixth Period, dated September 13, 2010 (Docket #25397).

37th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-Seventh Interim Period (Docket

#25850), filed on or about December 2, 2010, in which we recommended approval of fees totaling \$200,000.00 and expenses totaling \$2,896.38 These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Seventh Period, dated December 10, 2010 (Docket #25905).

38th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-Eighth Interim Period (Docket #26519), filed on or about March 9, 2011, in which we recommended approval of fees totaling \$165,000.00 and expenses totaling \$451.81. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Eighth Period, dated March 25, 2011 (Docket #26627).

39th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-Ninth Interim Period (Docket #27116), filed on or about June 21, 2011, in which we recommended approval of fees totaling \$200,000.00 and expenses totaling \$371.83. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Ninth Period, dated June 30, 2011 (Docket #27188).

40th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Fortieth Interim Period (Docket #27507), filed on or about August 25, 2011, in which

we recommended approval of fees totaling \$145,000.00 and expenses totaling \$626.82. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fortieth Period, dated September 20, 2011 (Docket #27622).

41st Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-First Interim Period (Docket #28070), filed on or about December 2, 2011, in which we recommended approval of fees totaling \$180,000.00 and expenses totaling \$3,342.16. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-First Period, dated December 14, 2011 (Docket #28150).

42nd Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Second Interim Period (Docket #28548), filed on or about February 20, 2012, in which we recommended approval of fees totaling \$170,000.00 and expenses totaling \$988.86. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Second Period, dated March 23, 2012 (Docket #28705).

43rd Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Third Interim Period (Docket #28900), filed on or about May 9, 2012, in which we recommended approval of fees totaling \$185,000.00 and expenses totaling

\$3,480.90, reflecting our recommended reduction of \$37.00 in expenses, as further explained in footnote 13 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Third Period, dated June 14, 2012 (Docket #29054).

44th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Fifth Interim Period (Docket #29988), filed on or about December 4, 2012, in which we recommended approval of fees totaling \$125,000.00 and expenses totaling \$675.88. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Fifth Period, dated December 11, 2012 (Docket #30036).

45th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Fifth Interim Period (Docket #29988), filed on or about December 4, 2012, in which we recommended approval of fees totaling \$190,000.00 and expenses totaling \$4,031.95. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Fifth Period, dated December 11, 2012 (Docket #30036).

46th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Sixth Interim Period (Docket #30382), filed on or about March 7, 2013, in which we recommended approval of fees totaling \$185,000.00 and expenses totaling

\$1,990.33, reflecting our recommended reduction of \$52.74 in expenses, as further explained in footnote 13 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Sixth Period, dated March 27, 2013 (Docket #30440).

47th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Seventh Interim Period (Docket #30840), filed on or about July 17, 2013, in which we recommended approval of fees totaling \$200,000.00 and expenses totaling \$4,286.56. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Seventh Period, dated July 31, 2013 (Docket #30907).

48th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Ninth Interim Period (Docket #31404), filed on or about November 26, 2013, in which we recommended approval of fees totaling \$70,000.00 and expenses totaling \$361.64. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Ninth Period, dated December 17, 2013 (Docket #31482).

49th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Ninth Interim Period (Docket #31404), filed on or about November 26, 2013, in which we recommended approval of fees totaling \$46,000.00 and expenses totaling

\$111.28, for Lincoln in its capacity as financial advisor to David T. Austern. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Ninth Period, dated December 17, 2013 (Docket #31482).

49th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Ninth Interim Period (Docket #31404), filed on or about November 26, 2013, in which we recommended approval of fees totaling \$79,000.00 and expenses totaling \$152.88, for Lincoln in its capacity as financial advisor to Roger Frankel. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Ninth Period, dated December 17, 2013 (Docket #31482).

50th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Fiftieth Interim Period (Docket #31838), filed on or about March 11, 2014, in which we recommended approval of fees totaling \$140,000.00 and expenses totaling \$3,330.88. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fiftieth Period, dated March 31, 2014 (Docket #31963).

51st Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Fifty-First Interim Application Period (Docket #32197), filed on or about May 13, 2014, in

which we recommended approval of fees totaling \$90,000.00 and expenses totaling \$702.16, reflecting our recommended reduction of \$191.30 in expenses, as further explained in footnote 11 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fifty-First Period, dated May 23, 2014 (Docket #32216).

9. We have reviewed the final reports and orders allowing fees and expenses for the prior interim periods, and we do not believe there is any reason to change any of the amounts awarded for the prior interim periods.

CONCLUSION

10. Thus, we recommend final approval of \$2,920,000.00⁵ in fees and \$34,998.27⁶ in expenses for Lincoln's services for the Final Application Period.

⁵We note that the total of the fees requested in Lincoln's 19 prior fee applications, plus the compensation sought for the Fifty-Second Interim Period, is \$2,920,000.00. The Court ordered no reductions for the prior interim periods, which periods are discussed in more detail in paragraph 8, and thus Lincoln has deducted no sums from this amount to arrive at the figure it seeks of \$2,920,000.00. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

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Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.



By: _____

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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 15th day of July, 2014.



Warren H. Smith

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